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SUBJECT: MEDIA REACTION; VENEZUELAN-ARGENTINE TIES; 08/15/07

11. SUMMARY STATEMENT

Today's international leading stories are related to the current status of the Argentine-Venezuelan relationship in the aftermath of the suitcase-scandal and its impact on Cristina Kirchner's chances to win the Argentine presidency.

12. OPINION PIECES AND EDITORIALS

- "Chvez and the 'Boli(varian)-oligarchy'"

Leading "Clarín's" general editor, Ricardo Kirschbaum, writes (08/15) "Hugo Chvez is one of the central issues of the (Argentine) election campaign, either the result of unusual characteristics the opposition likes to exploit in the Venezuelan President, such as his authoritarianism or attempts to exercise regional hegemony or to certain political eccentricities..."

"Chvez is not a product that the Venezuelan political parties can disregard. Furthermore, Chvez is an outcome of Venezuela's broken-down political system... Chavism made up for the shortfalls and miseries of Venezuelan politics itself."

"... There is an ideological issue in the debate... and Chvez fuels the fire to increase the controversy - he knows he is supported by large popular segments of his country and his provocative game largely surpasses all limits. Both his alliance with Iran and Cuba and his open trade relationship with the US reveal that he is an old-fashioned Napoleonic leader."

"There is a term that has been created to feature those who are favored by Chvez's policies. It is the 'Boli(varian)-oligarchy'... - the new wealthy sector that is fed by 'Bolivarian Socialism.' Many of them depend on the very rich state oil company."

- "Fracas with Caracas?"

An editorial in liberal, English-language "Buenos Aires Herald" reads (08/15) "Venezuela's Hugo Chvez is famous for constantly demonizing the US while supplying a crucial eighth of its oil needs - could the Nstor Kirchner administration be entering into a similarly two-faced relationship with Venezuela, criticizing Chvez for not offering an explanation or even apology for the dollar-filled suitcase... which has become an electoral embarrassment while at the same time eagerly accepting Venezuela as a debt bond purchaser...? If the electoral embarrassment is survived, it could become a crucial defining feature of a future Cristina Fernandez de Kirchner presidency whether Venezuela serves a scapegoat function or whether the estrangement is more genuine."

"Regardless of the ultimate future of ties with Venezuela or the

justice of solely blaming Chavez for the undeclared 800,000 dollars aboard an aircraft chartered by an Argentine state agency, a hard line with Venezuela certainly presents a chance to convert crisis into opportunity. Mrs. Kirchner can hardly preen herself as a champion of institutional quality... while deepening ties with a country governed by a paratrooper where the institutional mechanisms are so weak that there is no curiosity about almost a million dollars being undeclared. Quite apart from being a distraction from the government's share in the corruption, Venezuela-bashing might well prove a profitable electoral strategy, attracting many votes among the crucial middle class. Almost the only votes at risk would be the pro-Chvez pickets..., but such groups have always been important for their nuisance value rather than their votes...

"But the potential should not be merely electoral - this should be a golden opportunity for the presidential candidate to convert into reality her slogan - 'The change is only just beginning.' And towards that end the withdrawal of the first judge in the case under the pressure of the Customs head is hardly the best start."

- "The diplomacy of suitcases"

Business-financial "El Cronista" carries an opinion piece by political analyst Julio Burdman, who writes (08/15) "... The suitcase-diplomacy phenomenon, also known as 'dollar diplomacy,' is typical of those countries which need to purchase international reputation and acceptance...

"... The problem of the Venezuela of Chavez is not diplomatic acknowledgement but reputation. It needs friends. It is a country ruled by a hegemonic, authoritarian and militarist government, which makes it vulnerable to international isolation. While its president was popularly elected, the status of democracy in Venezuela could well jeopardize its belonging to Mercosur, the OAS and every other international forum having a democratic clause, as well as deserve criticism from its Latin American counterparts. All this could not only impair its foreign policy opportunities but basically its domestic legitimacy, which is ruled by the law of oil-politics.

"This framework and the Bolivarian's ambitions of international leadership led Chavez to project 2007 public expenditure and investment abroad for almost 50 billion dollars."

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